ASI's final approval dates in each state and its tariff filings and approval dates are included in Paragraphs 5&6, Procedure 1 above.

b. Using the USOCs listed on Attachment A-15, performed queries of the CABS and Customer Record Information System ("CRIS") billing systems of SWBT as of December 1999 and Pacific Bell and Nevada Bell as of February 2000 to obtain a list by state of Advanced Services customers on record two months prior to final approval in each state. No query was performed on the SNET billing systems since embedded base customers within SNET were not transferred during the Engagement Period. From the customer listings obtained from the queries, randomly selected 100 customers and obtained these customers' activation dates on ASI's billing system. The USOCs used for the CABS query included 13 USOCs that are not unique to Advanced Services, resulting in 27 replacements. Compared the ASI customer activation dates to the later of 180 days after Merger Closing Date, 30 days after state approval of ASI's Interconnection Agreement or 30 days after state approval of ASI's tariff. The table below summarizes the results of this comparison.

Table 22 – Results of ASI Customer Transfer Query

Sample Results	Number of Sampled Customers
Customers transferred to ASI within 180 days after Merger Closing Date or 30 days after state effective dates	71
Customers not found in ASI's billing system	21
Customers transferred to ASI after 180 days after Merger Closing Date or 30 days after state effective dates	8
Total Sample	100

4. Obtained and documented the number of customer orders passed by the ILECs to the Advanced Services affiliates, by state, by month, during the Engagement Period at Attachment A-16. SBC represented that SWBT, Pacific Bell, Nevada Bell and SNET passed all non-DSL Advanced Services customer orders to ASI after April 6, 2000. SBC represented that SWBT, Pacific Bell, Nevada Bell and SNET passed all DSL customer orders to ASI after May 29, 2000.

SBC represented that the information provided for non-DSL orders passed from the ILECs to ASI is incomplete prior to the full implementation of the mechanized Common Order Information System ("COIS"). SBC represented that COIS was fully implemented by the dates shown below for each ILEC:

- SWBT – Arkansas, Missouri and Texas – August 2000
- SWBT – Oklahoma and Kansas – After Engagement Period

- SNET – May 2000
- Nevada Bell – After Engagement Period
- Pacific Bell – May 2000

Inquired of SBC and noted that no customer orders were passed from the ILECs to AADS during the Engagement Period. AADS receives orders for Advanced Services from several other affiliates including AIMS.

5. Obtained and documented, by state, by month, the total number of orders submitted by the Advanced Services affiliates to the ILECs for facilities and/or services needed to provide Advanced Services at Attachment A-17.

Paragraph 8 – SBC/Ameritech Merger Conditions – Separate affiliate for Advanced Services.

1. Obtained and inspected the Interconnection Agreements between the ILECs and the Advanced Services affiliates as of the end of the Engagement Period and noted no surrogate charges associated with making available an unbundled local loop capable of providing Advanced Services in combination with voice grade services. Per discussions with SBC, noted that the Advanced Services affiliates did not utilize "surrogate" line sharing, but instead achieved such functionality through "interim" line sharing agreements with the ILECs.

2. For interim line sharing up to June 6, 2000, identified and documented the rates charged to ASI by SWBT, Pacific Bell, Nevada Bell and SNET by reviewing the related pricing addendums. Obtained ASI's certification statement to SWBT, Pacific Bell, Nevada Bell and SNET that it is not providing voice grade service, as defined in Section 8b of the Merger Conditions, in conjunction with Advanced Services over the broadband channel. Obtained and examined client-prepared documentation stating that ASI did not have tariffs in any state to provide voice grade service; they had no USOCs to bill for voice grade service and recorded no revenues from voice grade service.

   Noted ASI line sharing rates at Attachment A-18.

   Noted that AADS did not utilize interim line sharing during the Engagement Period.

Paragraph 11 – SBC/Ameritech Merger Conditions – Separate affiliate for Advanced Services.

Obtained the methodology used to calculate annual bonuses for officers and management employees of the Advanced Services affiliates during the Engagement Period. Noted that the methodology used was tied to the performance of the Advanced Services affiliates. Obtained the actual calculations used to determine the annual bonuses paid for the year ended December 31, 2000 to all officers and senior managers and a judgmental sample of middle and lower level managers. Noted that the actual bonuses paid were consistent with the methodology provided.

Documented how the methodology is tied to the performance of the Advanced Services affiliates as follows:

Noted that the ASI annual bonus program includes both a team and individual component. The team component is calculated as the

. Individual discretionary adjustments

the amount of the team award and are paid at the discretion of supervisors. The employee must also meet eligibility criteria. In 2000, ASI's individual discretionary adjustments were based on the

. In 2000, the ASI team award target was determined based on

Noted that the AADS annual bonus program also includes both a team and individual component and was offered to officers and management employees. The team component

In 2000, the AADS team award target was determined based on

Procedures Related to *Second Memorandum Opinion and Order*, CC Docket No. 98-141, Which Modified the Merger Conditions

1. For each ILEC, inquired and documented that the Advanced Services Equipment deployed at central offices during the Engagement Period was ATM switch/Optical Concentration Devices ("OCD"). The types of Advanced Services Equipment that supports voice and data deployed at remote terminals included the Litespan 2000 digital loop carrier and the ADSL Digital Line Unit Cards ("ADLU card," or generically, "plug-in card" that supports voice and data). ADLU cards, combined with the other components and software, deliver voice and data to the end customer via copper pairs from the remote terminal to the customer's location.

   Obtained a list of all remote terminal locations where Advanced Services Equipment was deployed by the ILECs. The list included the equipment type, quantity and date placed in service by location. Upon reviewing the list, noted that none of the above referenced equipment was denoted as placed in service before September 8, 2000.

2. Inquired and documented that the notification of the Broadband Offerings was announced via an Accessible Letter that was written and distributed electronically to each registered CLEC as well as posted on the CLEC web site at http://clec.sbc.com/accletters/home.cfn. SBC has made available the Broadband Offering information in the Broadband Service Agreement and Ordering Guidelines located in the CLEC Handbook on the CLEC web site. Obtained a copy of the documents relating to the Broadband Offering as shown on the CLEC web site.

   Noted that CLEC Industry Collaboratives were held on October 24, 2000 to present new product offerings, status of offerings under development and issues surrounding the availability of new and existing products.

3. Inquired and documented that the Broadband Offering was made available via a Stand-Alone Interim Broadband Service Agreement ("BBS") on a 13-state basis with each CLEC that requested the Broadband Offering. SBC represented that an interim BBS can be in place while a permanent agreement is negotiated. The CLEC can request the interim BBS immediately to begin the ordering process. The interim BBS is sent to the CLEC for signature and once signed it is returned to SBC for signature. At that time, a 10-day interval is required to build the CLEC information into the ILEC database before orders can be sent through. The interim BBS is valid for one year from signing.

   While the interim BBS is in place, the CLEC is required to negotiate a permanent agreement to replace the interim BBS prior to expiration of the interim agreement.

The permanent agreement, although initially identical to the interim agreement, will be amended to include negotiated terms and conditions.

Inquired and documented that the interim BBS agreement was made available to the CLECs by the SBC ILECs through an Accessible Letter on September 6, 2000.

SBC represented that there were two interim BBS agreements executed during the Engagement Period. One agreement was entered into between the SBC ILECs and DSL.Net, a CLEC. The other agreement was entered into between the SBC ILECs and the Advanced Services affiliates. Obtained a copy of the agreements for the workpapers.

4. Inquired and documented how many ASRs were received by each ILEC, separately for unaffiliated CLECs and each Advanced Services affiliate, for access to the OCD in central offices. In addition, inquired and documented how many ASRs were rejected.

The table below, obtained from SBC, documents how many ASRs were received by each ILEC, separately for unaffiliated CLECs and each Advanced Services affiliate, for access to the OCD in central offices and how many ASRs were rejected:

Table 23

CLECs	ASI		AADS		CLECs	
ILEC	ASR Orders	ASR Rejections	ASR Orders	ASR Rejections	ASR Orders	ASR Rejections
SWBT					1	0
Pacific Bell					–	–
Nevada Bell					–	–
SNET					1	0
Indiana Bell					–	–
Wisconsin Bell					–	–
Ohio Bell					–	–
Michigan Bell					–	–
Illinois Bell					–	–

5. Inquired and documented how many LSRs were received by each ILEC, separately for unaffiliated CLECs and each Advanced Services affiliate, to connect the end users to the broadband network. In addition, inquired and documented how many LSRs were rejected.

The table below, obtained from SBC, documents how many LSRs were received by each ILEC, from each Advanced Services affiliate, to connect the end users to the broadband network. In addition, the table lists how many LSRs were rejected.

Orders shown in the table below represent only completed orders, and rejections may include multiple instances per order submitted.

Table 24

	ASI		AADS		CLECs	
ILEC	LSR Orders	LSR Rejections	LSR Orders	LSR Rejections	Orders	Rejections
SWBT				–	–	–
Pacific Bell				–	32	25
Nevada Bell				–	–	–
SNET				–	–	–
Indiana Bell				–	–	–
Wisconsin Bell				4	–	–
Ohio Bell				7	–	–
Michigan Bell				6	–	–
Illinois Bell				–	–	–

6. Procedure is not applicable during the Engagement Period as it relates to 2001 and later years only.

7. Procedure is not applicable during the Engagement Period as it relates to 2001 and later years only.

8. Inquired and documented that no CLEC whose customer(s) was previously served by SBC mainframe terminated copper facilities from the central office and subscribing to the broadband service requested to have that customer reconnected to existing central office mainframe terminated copper facilities during the Engagement Period.

   Noted that an Accessible Letter announcing the broadband conversion process to an xDSL capable loop was released to the CLEC community after the end of the Engagement Period. Noted that the CLECs can submit an informal request or use the Special Request Process ("SRP") contained in the Broadband Offering agreement to make such a request.

9. Inquired and documented an understanding of the provisioning system and Graphical User Interface ("GUI") for use in ordering or provisioning the Broadband Offering as follows:

   > The ordering and provisioning process for the Broadband Offering consists of loop qualification, establishing infrastructure elements (ASRs), building a CLEC profile, submitting end-user orders (LSRs) and provisioning the orders through the existing provisioning systems of the ILECs.

Loop Qualification: CLECs perform a loop qualification using the customer address as would be done for any other DSL loop.

Establishing Infrastructure Elements: The infrastructure necessary for a CLEC to provision DSL service must be in place prior to placing orders for end-user service. An ASR is used to order the OCD port in the central office. The order flow is no different from the one used for ASRs to order unbundled dedicated transport and uses existing systems such as EXACT/CESAR and existing interfaces such as EDI, Verigate, etc. The CLEC is also required to submit a CLEC Information Form ("CIF") for each OCD port at the same time the ASR is submitted for the port assignment. The CIF establishes the coordinates to route traffic to the CLEC ATM and can be accessed through a new interface referred to as the Broadband Ordering Profile ("BOP") GUI.

Building a CLEC Service Profile: A new provisioning system known as SOLID has been developed. CLECs are allowed to build unique profiles in the SOLID provisioning system for service offerings that consist of combinations of various factors (i.e., upstream and downstream speeds). CLECs, including the Advanced Services affiliates, access the SOLID provisioning system via the BOP GUI interface to create their own DSL transmission profiles. This allows CLECs to establish different speed ADSL services.

Submitting End-User Orders: An LSR is used to order the DSL feeder and sub-loop and the ADSL permanent virtual circuit. A CLEC can submit LSRs the same way they are submitted for DSL, and mechanization is available through existing interfaces such as EDI.

Provisioning: LSRs flow through the Service Order Retrieval and Distribution ("SORD") system and are provisioned similar to other orders for UNE loops. Additionally, logical parameters necessary for SOLID provisioning are contained on the LSR. The SOLID system will identify the code set value, read that value off the profile established by the CLEC and then establish the DSL parameters as specified in the profile.

Maintenance: All CLECs and Advanced Services affiliates have access to the Toolbar Trouble Administration ("TBTA") application for entering trouble tickets on the High Frequency Portion of the SubLoop ("HFPSL") or Data Only loop. Trouble tickets entered in TBTA flow through to the ILEC's Loop Maintenance Operations System ("LMOS") for processing by the ILEC at the Local Operations Center ("LOC"). The LOC utilizes SWITCH and SOLID for processing trouble tickets. CLECs and Advanced Services affiliates do not have access to LMOS, SWITCH and portions of SOLID.

10. Inquired and documented that the information made available to the CLECs regarding requirements to build interfaces to the necessary databases and systems is called Broadband Ordering Profile Graphical User Interface. The ILECs made it available through Accessible Letters which were sent to each CLEC and posted to the CLEC web site. The Accessible Letters provide the requirements for the BOP GUI. The BOP GUI provides the CLECs with the ability to build individual profiles of Broadband Offerings. CLECs will utilize these profiles to offer different speeds and types of DSL service. BOP GUI also allows entry to the CIF which is required for the establishment of the logical parameters in the OCD. The BOP User Guide is located on the CLEC web site at https://clec.sbc.com/restr/clec_dsl/cds/index.

11. Inquired and documented that SBC employs a full-service support team that provides a variety of 13-state support functions to CLECs utilizing OSS. In an effort to stimulate CLEC interest in its electronic interfaces, OSS CLEC Support ("OSSCS") team provides "live" demonstrations of its electronic interfaces to regulators and all interested CLECs. The CLEC's Account Manager notifies the OSSCS manager assigned to that CLEC to meet with and discuss its business plans and recommend the best OSS to support the CLEC's business needs. Once a CLEC completes its OSS training, the CLEC Support team works cooperatively with the CLEC to require a complete understanding of the service ordering process, via face-to-face meetings or via conference calls. After a CLEC is in production, day-to-day questions regarding business rules will be referred to the Mechanized Customer Production Support Center.

The following table lists the dates that OSS classes were given during the Engagement Period:

Table 25

Month	Date	Month	Date	Month	Date
January	3,4,5,6,7,14,17,18, 19,20,27,28	May	4,5,8,11,12,16, 17,18,19	September	1,14,15,18,19, 20,21,22,26,29
February	3,4,10,14,15,16,17	June	5,6,7,8,9,12,13, 14,15,16,22,23, 26,30	October	16,17,18,19,10, 21,22,23,24,25, 26,27
March	7,8,9,10,13,14,15, 16,23,24,28	July	11,13,14,17,18, 19,20,21,24,25, 26,27,28	November	2,7,9,15,16,17, 27
April	4,5,6,7,11,13,14, 18,19,20,21,24,25, 26	August	3,4,9,11,17,18, 23,24,25,28,29, 30	December	4,5,6,7,11,12, 14,15,18,22

12. Inquired and documented that notification of the new Combined Voice/Data Offering was announced via an Accessible Letter that was written and distributed

electronically to each registered CLEC as well as posted on the CLEC web site at https://clec.sbc.com/accletters/home.cfn. SBC has distributed the Combined Voice/Data Offering information in the Broadband Service Agreement and Ordering Guidelines located in the CLEC Handbook on the CLEC web site. These documents are updated with any new product information as it becomes available. Obtained a copy of the documents relating to the Combined Voice/Data Offering as shown on the CLEC web site and included them in the workpapers.

Additionally, quarterly CLEC Industry Collaboratives are held to present new product offerings, status of offerings under development and issues surrounding the availability of new and existing products.

13. Inquired and documented that the Combined Voice/Data Offering was included in the interim BBS agreement, as noted in Procedure 3 above, on a 13-state basis with each CLEC when they request the Combined Voice/Data Offering. The interim BBS is in place while a permanent agreement is negotiated. The CLEC can request the interim BBS immediately to begin the ordering process. The interim BBS is sent to the CLEC for signature and once signed it is returned to SBC for signature. At that time, a 10-day interval is required to build the CLEC information into the ILEC database before orders can be sent through. The interim BBS is valid for one year from signing.

    Noted by inquiry that while the interim BBS is in place, the CLEC is required to negotiate a permanent agreement to replace the interim BBS prior to expiration of the interim BBS.

    Inquired and documented that the interim BBS was made available by the SBC ILECs by Accessible Letter on December 8, 2000.

    As documented in Procedure 3, noted that there were two interim BBS agreements executed during the Engagement Period that included the Combined Voice/Data Offering. As of the end of the Engagement Period, SBC represented that it had not received any orders for the Combined Voice/Data Offering.

14. Inquired and documented that the ILECs made the initial Broadband Offering available for commercial use on September 6, 2000 as noted per Accessible Letters posted on the CLEC web site at https://clec.sbc.com/accletters/home.cfm. The Combined Voice/Data Offering was made available on December 8, 2000 for commercial use as noted per Accessible Letters posted on the CLEC web site.

15. Procedure is not applicable during the Engagement Period as it relates to 2001 and later years only.

16. Procedure is not applicable during the Engagement Period as it relates to 2001 and later years only.

17. Inquired and documented that no CLEC whose customer(s) was previously served by SBC mainframe terminated copper facilities from the central office and subscribing to the combined voice and data service requested to be converted from Broadband Services to an all copper loop during the Engagement Period. SBC currently does not have a customer utilizing the Combined Voice/Data Offering.

    An Accessible Letter announcing the broadband conversion to an xDSL capable loop was released to the CLEC community after the end of the Engagement Period.

18. Inquired and documented that the interfaces, processes and procedures for preordering, ordering and provisioning the Combined Voice/Data Offering are consistent with the interfaces, processes and procedures as documented in Procedure 9 above relating to the Broadband Offering. The only exceptions noted are that the CLEC is required to provision an additional voice path terminated on the CLEC's collocation space.

19. For each SBC ILEC that has deployed NGDLC architecture that supports both POTS and xDSL services, obtained a list of all types of equipment installed at remote terminal locations, and the specific locations where this equipment is installed. For each NGDLC plug-in card and for each OCD obtained the manufacturer's description received by the ILEC upon purchase of the equipment. Determined that the ILEC had posted on its web site at https://clec.sbc.com/hb a link to the manufacturer's web site which provides the description of the NGDLC software and hardware release specifications. Compared and noted no differences between the postings and the documents received upon purchase. Noted that the web site posting included the specific locations where such equipment features are available and the date of the posting.

    Noted through inquiry with SBC that there was only one type of equipment configuration installed at the remote terminals during the Engagement Period. SBC has represented that the Alcatel Litespan 2000 was used at each remote terminal location with different housings and capacity.

20. Inquired and documented that each ILEC makes available all technically feasible Advanced Services features, functions and capabilities of equipment installed in remote terminals in the Broadband Service Ordering Guidelines and Accessible Letters, located on the CLEC web site at https://clec.sbc.com/acclletters/home.cfm. In addition, the Broadband Offering agreement, generic pricing appendix, provides the service elements available and is also located on the CLEC web site. For the equipment selected in Procedure 19 above, documented the following UNEs, services, tariff elements, etc., that are made available for each type of equipment:

- Subloops
  - Data Link Escape ("DLE") – Generic Digital Subscriber Line xDSL, HFPSL
  - DLE – Generic Digital Subscriber Line xDSL, SubLoop data only
- Combined Voice and Data loop
- DLE – Permanent Virtual Circuit
- OCD Port Terminations
- ADSL Undefined Bite Rate ("UBR") Quality of Service
- OCD Port Sharing

These service elements are included in the CLEC handbook located on the CLEC web site. SBC has represented that it has not received any request from CLECs for these features, functions and capabilities during the Engagement Period.

21. For each ILEC, obtained a list of all RTs installed on or after September 15, 2000. This list included the date of installation, location and whether the RT was a hut, a controlled environmental vault ("CEV") or a cabinet.

    a. For huts and CEVs, inquired and documented that the ILECs have developed policies and procedures, located in the Project Pronto Loop Planning Guidelines & Methods and Procedures located on SBC's intranet. These policies and procedures, which are specific to Pronto deployments, require that all new huts and CEVs must reserve for CLECs 20% of the space for collocation. All new huts and CEVs are required to be upsized as appropriate to guarantee spare capacity to the CLECs. In addition, all new huts and CEVs are to be placed in accordance with a site plan, to be retained by the OSP planner, which shows the complete easement or right-of-way and all present and any future structure requirements. The site plan must delineate addition of future housings, where space is available, or alternate feeds that may be requested by CLECs.

    b. From the list of huts and CEVs installed on or after September 15, 2000, selected a statistical sample of locations. For each location selected, inquired and documented if any unaffiliated carriers are collocated there, or if any unaffiliated carriers have requested collocation at that location. SBC represented that there were no unaffiliated carriers collocated at these locations and that there were no requests by unaffiliated carriers for collocation at these locations.

    c. For cabinets, inquired and documented that the ILECs have developed policies and procedures, located in the Project Pronto Loop Planning Guidelines & Methods and Procedures located on SBC's intranet. These policies and procedures, which are specific to Pronto deployments, require that all new cabinets must reserve for CLECs 15% of the space for

collocation. The procedures also state that cabinets should not be upsized without a bona fide request from a CLEC, and a special construction agreement that will recover any additional costs incurred. In addition, all new cabinets are to be placed in accordance with a site plan, to be retained by the OSP planner, which shows the complete easement or right-of-way and all present and any future structure requirements. The site plan must delineate addition of future housings, where space is available, or alternate feeds that may be requested by CLECs. Noted through inquiry and SBC representation that during the Engagement Period, no cabinet installations met the collocation availability requirements through the provision of an adjacent cabinet structure.

22. Inquired and documented that there were four requests for collocation in existing remote terminals installed prior to September 15, 2000. All four requests were denied. Inquired and documented that SBC represented that there were no CLEC requests for collocation of an increment of a single shelf during the Engagement Period.

The table below describes each request:

Table 26

ILEC	Space Size Requested	Space Request Made Available	Reason For Denial	Further Action Taken
Indiana Bell	100 sq. feet	No	Lack of Space	SBC represents that no further action was taken by the CLEC
SWBT	Not defined	No	Lack of Space	
SWBT	10 sq. feet	No	Technical Feasibility	
SWBT	10 sq. feet	No	Technical Feasibility	

23. Inquired and documented SBC's representation that between September 8, 2000 and December 31, 2000, the ILECs received over 5,600 requests for collocation. The ILECs do not record the functionality of CLEC collocated equipment and cannot feasibly determine if existing equipment provides OCD functionality. In addition, the ILECs cannot feasibly list all of the software and hardware combinations that could provide CLEC OCD-like functionality. CLEC collocated equipment initially placed without the hardware capability to provide OCD-like functionality could be upgraded by the CLEC to provide OCD-like functionality without the ILECs' knowledge.

24. Inquired and documented that a Special Construction Arrangement ("SCA") is used when a CLEC wishes to construct a sub-loop access arrangement or Engineering Controlled Splice ("ECS") for the purpose of obtaining sub-loops.

An application is posted in the CLEC Handbook located on the CLEC web site at https://clec.sbc.com/hb along with instructions. The instructions can be found under CLEC Handbook, Products and Services, UNE, Sub-loop (UNE).

Inquired and documented that the CLECs were notified by Accessible Letters during the period September 15, 2000 through December 31, 2000 that the SCA process was made available effective September 15, 2000. The Accessible Letters were made available on the CLEC web site at https://clec.sbc.com/accletters/home.cfn.

Inquired and documented that the unaffiliated CLECs did not file any SCA requests during the period September 15, 2000 through December 31, 2000.

25. Inquired and documented that the Advanced Services affiliates did not file any SCA requests during the Engagement Period.

26. Inquired and documented that the ILECs did not receive any SCAs from the Advanced Services affiliates during the Engagement Period.

27. Inquired and documented that none of the ILECs established connectivity to their networks with an ECS. ECS is an architectural design in the outside plant portion of the network. The intent of the ECS is to provide an access point where CLEC services, routed from their equipment via a copper cable, can gain access to multiple Serving Area Interfaces served from a specific RT. The ECS will be placed inside the RT structure when space allows. If no space is available, SBC will construct a new adjacent cabinet, at CLEC's expense, on SBC easement (or easement owned by others) for the purpose of providing an ECS. The availability of space in either existing, expanded or adjacent cabinet structures at RT locations is subject to the availability and requirements of private easements and/or public right-of-way obligations.

The ECS has not been requested by Advanced Services affiliates or CLECs.

28. For each ILEC, compared the balances of the Plant in Service general ledger accounts containing metallic wire and cable, exchange and network assets, in which copper pair investment was recorded as of September 1, 2000 and December 31, 2000. Performed a reconciliation of the balances by obtaining detailed listings of all additions and retirements to those accounts and noted that the balances per the detailed listings agreed to the respective general ledger balances. Selected a random sample of 100 copper pair retirements from the lists of retirements obtained above. For each retirement selected, inquired and documented that the retirement was due to maintenance of existing copper pair. Inquired and noted that none of the retirements selected were for mainframe terminated copper facilities.

29. Obtained and documented the policies and procedures of the ILECs with respect to the general decision-making criteria for retiring copper plant. SBC represented that the ILECs decide to retire copper due to force majeure, civic and road widening, service reliability, maintenance cost, structure relief and utilization. Planning engineers coordinate with maintenance staff to replace existing copper plant. General policies and procedures are documented in the Transport Engineering and Construction Policy ("TECP") and in the Loop Deployment Policies and Guidelines ("LDPG"). The TECP outlines SBC's plant rehabilitation program's four categories of projects: design rehabilitation, cost avoidance, maintenance and capacity restoral. The LDPG provides guidelines for the planning engineer to consider during loop maintenance and relief studies and covers defective and obsolete plant replacement, rehabilitation and excess plant removals. The engineers use local procedures for maintenance documentation. SBC represented that its general decision-making criteria for retiring copper plant are disclosed to unaffiliated telecommunications carriers in the FCC's Second Memorandum Opinion and Order in CC Docket No. 98-141, released September 8, 2000, Appendix A, paragraph 7. SBC represented that it will respond to customer-specific requests from unaffiliated telecommunications carriers for its general policies for retiring copper plant. SBC represented that it received no such requests during the Engagement Period.

30. Obtained representation from SBC that policies and procedures have not been put in place with respect to notifying CLECs of its intent to retire any copper plant since no mainframe terminated copper facilities can be retired prior to September 1, 2001 as part of the Merger Conditions.

31. Accessed the ILEC web site and noted no "intent to retire" notices had been posted as of the end of the Engagement Period.

32. Obtained representation from SBC that policies and procedures have not been put in place with respect to notifying CLECs of the opportunity to buy copper plant marked for retirement since no mainframe terminated copper facilities can be retired prior to September 1, 2001 as part of the Merger Conditions.

33. Inquired and documented the dates, locations, subject matters and attendees for any industry collaborative sessions held during the Engagement Period and performed the following:

    a. Obtained the transcript and issues matrix for the only industry collaborative session held during the Engagement Period and noted that the session was held on October 24, 2000 in Dallas, Texas.

    b. Reviewed the issues matrix and noted that all issues were denoted as having been addressed and/or assigned. Attendees and subjects discussed are documented in step 35) below.

c. Inquired and documented that all documents such as minutes, transcripts and summary of action items are made available to the CLECs through an electronic distribution list. SBC represented that all CLECs that attended the meeting were included on the distribution list.

34. Inquired and documented SBC's process and related decision-making criteria for a single carrier to request deployment of a desired service/functionality and noted that the process is as follows:

- An applicant will submit to its designated CLEC account manager a sufficiently detailed request for the service/functionality that it wants SBC to deploy. All requests must be submitted using an application form. An application fee applies to each individual request. The request can be cancelled at any time with a written notice from the CLEC. If the CLEC submits the same requests in more than one territory and it requires such requests to be different processes, a separate request is required.

- SBC will acknowledge receipt of the form within 10 business days, and SBC will provide the CLECs a detailed responsive quote within 45 business days. This quote will identify the technical feasibility, pricing, timing and other pertinent attributes of the offering that SBC is able to provide in response to the customer's request. The quote will indicate a cap on the developmental costs.

- If the CLEC approves the quote, SBC informs the CLEC of the prospective delivery date as soon as available.

- If the CLEC cancels the request, after informing SBC that it wishes to proceed, cancellation charges will be applied, not to exceed the costs incurred by SBC up to and including the point of cancellation.

SBC has represented that there were no requests made during the Engagement Period.

35. Inquired and documented that the Telecommunications Carrier Product Forum was established as a voluntary commitment to the Federal Communications Commission. The FCC adopted the ILECs' proposed voluntary commitments on September 8, 2000. The first and only forum held during the Engagement Period was held on October 24, 2000. The Forum is planned to be held on a quarterly basis. The list of companies with representatives present at the Forum is as follows:

Advanced TelCom Group
Allegiance Telecom, Inc

APC
Arrival Communications, Inc
ASI
AT&T
Birch
Carrera Communications
CoreComm
Covad Communications
DSLnet Communications, LLC
IONEX Telecommunications
IP Communications
KMC Telecom Inc
Logix Communications
Mpower Communications
NTS Communications
Occam Networks, Inc.
Pontio Communications Company
Rhythms
Sage Telecom, Inc.
Sprint
Texas Network Communication
Vectris Telecom
Verizon
Vocal Communications
Westel, Inc
WorldCom
XO Communications
SBC

Topics discussed included:

- Project PRONTO-Today's Technology
- Project PRONTO-Product Applications
- Q & A's on PRONTO Today
- Project PRONTO-Tomorrow
- Project PRONTO Special Requests
- Open panel discussion
- Looking forward-Items for future collaborative meetings

36. Inquired and documented that the two standing subcommittees, Service Definition Subcommittee and Operations Subcommittee, were established prior to October 24, 2000 in conjunction with the Telecommunications Carrier Product Forum. Inquired and documented that the membership of each subcommittee consisted of the following members:

Table 27

Matthew Wallace	Director of New Technology	SBC Services, Inc.
James Keown	Regional Manager/Product Management	SBC Management Services, Inc.
George Kubes	Broadband Deployment	SBC Management Services, Inc.
Peggy Beata	Director of Broadband Services	Ameritech
Christopher Boyer	General Manager Network Regulatory	SWBT
Bethany Price	Associate Product Manager	SWBT
Pete Wilcox	Product Manager	SWBT
Sherri Flatt	Area Manager Network Regulatory	SBC Management Services, Inc.

The subcommittees met during the Telecommunications Carrier Product Forum on October 24, 2000. Inquired and documented the topics discussed were the same as Telecommunications Carrier Product Forum meeting, which are listed at Procedure 35 above.

APPENDIX B

Definitions

Advanced Services – means intrastate or interstate wireline telecommunications services, such as ADSL, IDSL, xDSL, Frame Relay, Cell Relay and VPOP-Dial Access Service (an SBC Frame Relay-based service), that rely on packetized technology and have the capability of supporting transmission speeds of at least 56 kilobits per second in both directions. This definition of Advanced Services does not include (1) data services that are not primarily based on packetized technology, such as ISDN, (2) x.25-based and x.75-based packet technologies or (3) circuit switched services (such as circuit switched voice grade service) regardless of the technology, protocols or speeds used for the transmission of such services. (See Merger Conditions, Paragraph 2.)

Advanced Services affiliate(s) – includes the following companies, individually or collectively: Ameritech Advanced Data Services of Indiana, Inc.; Ameritech Advanced Data Services of Illinois, Inc.; Ameritech Advanced Data Services of Ohio, Inc.; Ameritech Advanced Data Services of Michigan, Inc.; Ameritech Advanced Data Services of Wisconsin Inc.; SBC Advanced Solutions, Inc. ("ASI"); and any other affiliate that provides Advanced Services as defined above.

All of the procedures in this agreed-upon procedures program will apply to each Advanced Services affiliate stated above, except for the following change which has been agreed to for the Year 2000 Engagement.

For the Year 2000 Engagement, management of Southwestern Bell Communications Services, Inc. ("SBCS") and SBC ILECs will execute and provide to the practitioner no later than November 1, 2001, management representation letters representing that SBCS and the SBC ILECs are in compliance with Section 272 of the Act and noting any exceptions, and therefore comply with the Separate Affiliate Requirements in the Merger Conditions. No later than November 1, 2001, the practitioner must file a supplemental report in this engagement that reports on any exceptions noted by SBC in those representation letters. No specific procedures will be performed for SBCS.

Advanced Services Equipment – includes: 1) DSLAMs or functionally equivalent equipment, 2) spectrum splitters that are used solely in the provision of Advanced Services, 3) packet switches and multiplexers such as ATMs and Frame Relay engines used to provide Advanced Services, 4) modems used in the provision of packetized data and 5) DACS frames used only in the provision of Advanced Services. Advanced Services Equipment does not include: 1) DACS frames used for voice services, 2) spectrum splitters (or the equivalent functionality) used to separate the voice grade channel from the Advanced Services channel or 3) spectrum splitters installed after the Merger Closing Date that are located at the customer premises. Notwithstanding the above, while the following equipment is considered to be Advanced Services Equipment, it may be owned and operated by either the ILECs or the Advanced Services affiliate(s):

1) facilities or network equipment, including integrated Advanced Services Equipment, Next Generation Digital Loop Carrier ("NGDLC") equipment and related equipment and software, that supports both POTS and xDSL services and is located in remote terminals; and 2) ATM switches/Optical Concentration Devices ("OCDs") installed in central offices that are used to provide wholesale Advanced Services arrangements to affiliated and/or unaffiliated providers of Advanced Services on nondiscriminatory rates, terms and conditions. (See *Second Memorandum Opinion and Order*, CC Docket No. 98-141, Released September 8, 2000, regarding a modification of the original conditions allowing the ILECs to own certain equipment previously defined as Advanced Services Equipment, Appendix A.)

Affiliate – means a person that (directly or indirectly) owns or controls, is owned or controlled by or is under common ownership or control with another person. For this purpose, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent. (Section 3 of the Communications Act of 1934, as amended.)

Ameritech States – Illinois, Indiana, Michigan, Ohio and Wisconsin.

Assets – is defined as equipment, software, customer accounts, initial capital contribution and real estate. (See Merger Conditions, FN5.)

Customer Care – means the following functions performed after the sale: on-going customer notification of service order progress, response to customer inquiries regarding the status of an order, changes to customer information and receipt of customer complaints (other than receipt and isolation of trouble reports, such as reports of service outages or service impairment, which shall be processed in accordance with Subparagraph 4(j)).

Engagement Period – means the period January 1 through December 31, 2000.

ILECs – means Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, Wisconsin Bell, Inc. (collectively "Ameritech"), Pacific Bell Telephone ("Pacific Bell"), The Southern New England Telephone Company ("SNET"), Southwestern Bell Telephone Company ("SWBT"), Nevada Bell and any successor or assign of such company that provides wireline telephone exchange service.

Merger Closing Date – October 8, 1999.

Merger Conditions – Appendix C of the FCC's Order approving the SBC/Ameritech Merger – Applications of Ameritech Corp. and SBC Communications Inc. for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commissions Rules, CC Docket No. 98-141, Memorandum Opinion and Order, 14 FCC Rcd 4761 (1999).

Official Services – means those services permitted by the United States District Court for the District of Columbia in *United States v. Western Elec. Co. Inc. See* 569 F. Supp. 1057, 1098, n.179 (1983) (defined as "communications between personnel or equipment of an Operating Company located in various areas and communications between Operating Companies and their customers"), and its progeny. *See also Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended,* CC Docket No. 96-149, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 21905, 22008, 22054 (1996); *cf. Petition of U S West Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance,* CC Docket No. 97-172, Memorandum Opinion and Order, paras. 21-22 (FCC 99-133) (Sept. 27, 1999).

Permitted Billing and Collection Services – includes the following: payment arrangements; account adjustment; responding to account balance inquiries; account closure; responses to legal action affecting or involving the customer; and receipt and resolution of customer billing and collection complaints.

SBC States – Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma and Texas.

Users – the users of this engagement are SBC and the FCC. The users are responsible for the nature, timing, extent and sufficiency of these procedures.

Voice Grade Service – means the transmission of an analog signal within an approximate bandwidth of 300 to 3000 Hz.

Advanced Services, Inc. (ASI)
Number of Employees by Department & Location
As of December 31, 2000

Department	Street Address	City	State	Function Performed	# of Employee
	125 Corporate Office Dr	Earth City	MO		
	12500 San Pedro	San Antonio	TX		
	2450 Whitman Rd	Concord	CA		
	2623 Camino Ramon	San Ramon	CA		
	300 Convent	San Antonio	TX		
	308 S Akard St	Dallas	TX		
	3464 El Camino Ave	Sacramento	CA		
	400 W South	Arlington	TX		
	425 W 5th St	San Pedro	CA		
	5130 Hacienda Drive	Dublin	CA		
	134 Club Rd	North Windham	CT		
	1441 North Colony Rd	Meriden	CT		
	239 Prospect St	Torrington	CT		
	27 Butler St	Meriden	CT		
	316 Courtland Ave	Stamford	CT		
	348 Grand St	Waterbury	CT		
	360 Bridgeport Ave	Shelton	CT		
	4 Hamilton St	New Haven	CT		
	40 Brainard Rd	Hartford	CT		
	430 John St	Bridgeport	CT		
	55 Realty Dr	Cheshire	CT		
	2 Science Park	New Haven	CT		
	555 Lakewood Rd	Waterbury	CT		
	555 Main St	Stamford	CT		
	578 Vauxhall St Ext	Waterford	CT		
	72 Sand Pit Rd	Danbury	CT		
	1001 Industrial Blvd	Abilene	TX		
	1008 E 17th St	Hays	KS		
	1012 W 4th St	Joplin	MO		
	103 N Elm St	Newton	KS		
	1031 Lee Ave	Pasadena	TX		
	106 Factory Dr	Waco	TX		
	111 Dean A Mcgee Ave	Oklahoma City	OK		
	109 W Bank St	Iowa Park	TX		
	1111 W Capitol Ave	Little Rock	AR		
	1114 E 2nd St	Tulsa	OK		
	11200 Pellicano Dr	El Paso	TX		
	117 W Oliver Ave	West Memphis	AR		
	11710 Charles Road	Houston	TX		
	11930 Airline Dr	Houston	TX		
	120 W 8th St	Little Rock	AR		
	1202 S 16th St	St. Joseph	MO		
	125 Corporate Office Dr	Earth City	MO		

Advanced Services, Inc. (ASI)
Number of Employees by Department & Location
As of December 31, 2000

Department	Street Address	City	State	Function Performed	# of Employ
	511 Springdale Rd	Austin	TX		
	5400 Foxridge Dr	Mission	KS		
	5480 Washington Blvd	Beaumont	TX		
	580 Dickinson Road, Suite D	Alvin	TX		
	5818 Eskridge St	Houston	TX		
	600 E Saint Louis St	Springfield	MO		
	601 Profit Dr	Victoria	TX		
	605 E Yukon Rd	Odessa	TX		
	613 Myrtle Ave	El Paso	TX		
	616 E 12th Ave	Stillwater	OK		
	6312 S. Lindbergh	St. Louis	MO		
	6500 West Loop S	Bellaire	TX		
	6701 W 64th St, Bldg 5	Overland Park	KS		
	6707 Academy St	Houston	TX		
	6725 NW Atlanta Ave	Lawton	OK		
	700 Walnut St	Rogers	AR		
	702 Military Ave	Dodge City	KS		
	711 E 44th St	Lubbock	TX		
	7130 Burns St	Ft Worth	TX		
	7159 San Pedro Ave	San Antonio	TX		
	721 Beech Ave	Mcallen	TX		
	721 Corn Products Rd	Corpus Christi	TX		
	7343 Tyron Rd	Longview	TX		
	735 E Washington St	Brownsville	TX		
	7530 S Washington St	Amarillo	TX		
	777 Northwest Blue Parkway	Lee's Summit	MO		
	812 9th St	Wichita Falls	TX		
	8300 Eager Rd	Brentwood	MO		
	909 N Kentucky St	Mc Kinney	TX		
	9110 Autobahn Dr	Dallas	TX		
	927 E Parker Rd	Jonesboro	AR		
	935 N Main Avenue	Fayetteville	AR		
	1 Digital Dr	Novato	CA		
	101 V St	Bakersfield	CA		
	105 N San Gabriel Blvd	San Gabriel	CA		
	1095 Nelson St	Chico	CA		
	1150 W Evelyn	Sunnyvale	CA		
	1199 Indiana St	San Francisco	CA		
	1200 Corporate Center Drive	Monterey Park	CA		
	1265 N Van Buren St	Anaheim	CA		
	12824 Earhart Ave	Auburn	CA		
	12920 Earhart Ave	Auburn	CA		
	13062 Euclid St	Garden Grove	CA		

Advanced Services, Inc. (ASI)
Number of Employees by Department & Location
As of December 31, 2000

Department	Street Address	City	State	Function Performed	# of Employee
	12500 San Pedro	San Antonio	TX		
	12900 Coit Rd	Dallas	TX		
	13075 Manchester Rd	Des Peres	MO		
	1313 Muller Rd	Laredo	TX		
	14575 Presidio Square Blvd	Houston	TX		
	1504 N 105th East Ave	Tulsa	OK		
	1515 Witte Rd	Houston	TX		
	15911 Morales	Houston	TX		
	1622 NW Saline St	Topeka	KS		
	17810 Schultz Lane	Round Rock	TX		
	1834 S Longfellow Cir	Wichita	KS		
	200 Rosemary Rd	North Little Rock	AR		
	2015 Royal Ln	Dallas	TX		
	2120 Redbud Ave	Mcallen	TX		
	220 Prospect Ave	Hot Springs	AR		
	2254 Valdina St	Dallas	TX		
	2701 N Central Expressway	Richardson	TX		
	2929 NW 39	Okla City	OK		
	300 Convent	San Antonio	TX		
	301 W Whaley St	Longview	TX		
	305 SW Oakley Ave	Topeka	KS		
	3120 Pottsboro Rd	Denison	TX		
	314 S Kimbrough Ave	Springfield	MO		
	3303 Weslayan St	Houston	TX		
	3311 Thousand Oaks Dr	San Antonio	TX		
	351 S Silver Springs Rd Ste 200	Cape Girardeau	MO		
	3550 Belgium Ln	San Antonio	TX		
	37 Lyerly St	Houston	TX		
	3707 S 2nd St	Austin	TX		
	400 W South	Arlington	TX		
	405 N Broadway Ave	Oklahoma City	OK		
	409 E Prescott Ave	Salina	KS		
	4100 Bryan St	Dallas	TX		
	4101 Scottsdale Dr	Dallas	TX		
	4119 Broadway St	San Antonio	TX		
	416 N Monroe St	Eagle Pass	TX		
	4211 Irving Ave	Dallas	TX		
	4250 Duncan Ave	St. Louis	MO		
	4410 Phoenix Ave	Fort Smith	AR		
	500 E 8th St	Kansas City	MO		
	5015 Main St	Parsons	KS		
	505 E 14th St	Kansas City	MO		
	509 S Detroit Ave	Tulsa	OK		

Advanced Services, Inc. (ASI)
Number of Employees by Department & Location
As of December 31, 2000

Department	Street Address	City	State	Function Performed	# of Employee
	1401 Enea Cir	Concord	CA		
	1412 Granite Ln	Modesto	CA		
	1413 Bourbon St	Stockton	CA		
	1420 Tuolumne St	Fresno	CA		
	1442 Edinger Ave	Tustin	CA		
	145 S Montgomery	San Jose	CA		
	1450 Enea Cir	Concord	CA		
	1472 Edinger Ave	Tustin	CA		
	1477 Huntington Ave	South San Francisco	CA		
	1548 N Carpenter Rd	Modesto	CA		
	1560 W. Winton	Hayward	CA		
	1600 Corporate Center Dr	Monterey Park	CA		
	1777 Cebrian St	West Sacramento	CA		
	1844 Sycamore Dr	Simi Valley	CA		
	195 E 1st St	Reno	NV		
	195 S Douglas St	El Segundo	CA		
	200 Ctr. St Promenade	Anaheim	CA		
	2001 E. Bayshore	Redwood City	CA		
	2010 Century Park E	West Los Angeles	CA		
	210 N Garfield Ave	Alhambra	CA		
	2127 Ruth #4	South Lake Tahoe	CA		
	2154 Torrance Blvd	Torrance	CA		
	220 Shaver St	San Rafael	CA		
	22012 Vanowen St	Canoga Park	CA		
	2275 Florencita Ave	Montrose	CA		
	230 Camino Oruga	Napa	CA		
	2320 Foothill Blvd	La Canada	CA		
	2410 Camino Ramon	San Ramon	CA		
	245 S Cain St	Visalia	CA		
	2450 Whitman Rd	Concord	CA		
	2470 West 14th St., Bldg 834	Oakland	CA		
	24705 Newhall Ave	Newhall	CA		
	2600 Camino Ramon	San Ramon	CA		
	2623 Camino Ramon	San Ramon	CA		
	2700 Watt Ave	Staff	CA		
	2945 Lake Forest Rd	Tahoe City	CA		
	3073 Adams St	Riverside	CA		
	308 N. Sullivan	Santa Ana	CA		
	310 Martin Ave.	Santa Clara	CA		
	3260 Sebastopol Rd	Santa Rosa	CA		
	3464 El Camino Ave	Sacramento	CA		
	35 Tubbs St.	San Francisco	CA		
	360 Pioneer Way	Mountain View	CA		
	3601 Kings Way	Sacramento	CA		